

# **FISCAL NOTE**

## **SB 1135 - HB 1834**

March 10, 2005

**SUMMARY OF BILL:** Amends the retirement law by requiring that the supplemental bridge benefit begin immediately upon the member's retirement rather than at age 60; eliminates the provision that the supplemental benefit cease upon the member reaching the age requirement for receipt of Social Security benefits; and eliminates the cost-of-living adjustments on the supplemental bridge.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$5,940,000 Annual Amortized Cost**  
**Increase Local Govt. Expenditures - Exceeds \$10,000,000/Permissive**  
**Other Fiscal Impact - Increase Federal/Other Expenditures:**  
**\$1,900,000 Annual Amortized Cost**

#### **Assumptions:**

- Increases the lump sum liability by approximately \$68,650,000.
- Annual cost is amortized over 20 years.
- State employee cost between state and federal is 75% state and 25% federal.
- Supplemental bridge benefit will apply to all current and future retired members.
- Benefits will not be paid retroactively but will become effective 7/1/05.
- Local government expenditures are in excess of \$10,000,000 if all entities authorize such benefits.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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